



Senate

General Assembly

File No. 246

January Session, 2009

Senate Bill No. 882

Senate, March 26, 2009

The Committee on Commerce reported through SEN. LEBEAU of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING A MANUFACTURER'S "BUY CONNECTICUT" PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) The Department of
2 Economic and Community Development shall develop and implement
3 a "Buy Connecticut" program. As part of the program, the department
4 shall consider ways to designate products that are manufactured in the
5 state as "Buy Connecticut" products and to promote such products.
6 The department may use the process for designating "Connecticut-
7 grown" farm products, provided for in section 22-38 of the general
8 statutes, as a model for the program under this section.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
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CE Joint Favorable

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Department of Economic & Community Development	GF - Cost	Potential Significant	Potential Significant
Department of Economic & Community Development	GF - Revenue Gain	Potential	Potential
Comptroller Misc. Accounts (Fringe Benefits) ¹	GF - Cost	Potential Significant	Potential Significant

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill will result in a cost to the Department of Economic and Community Development (DECD) associated with developing and implementing a “Buy Connecticut” program. Based on the Department of Agriculture’s model of the “Connecticut Grown” program, DECD would require additional staff, operating expenses, and marketing funds.

DECD staff would be needed to designate products manufactured in the state as “Buy Connecticut” products. In 2007 there were 5,277 manufacturing companies in the state. It is estimated that two to four Economic and Community Development Agents at an annual cost of \$80,916 (\$64,511 salary, \$16,405 fringe benefits) could be needed to

¹ The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller on an actual cost basis. The following is provided for estimated costs associated with additional personnel. The estimated non-pension fringe benefit rate as a percentage of payroll is 25.43%. Fringe benefit costs for new positions do not initially include pension costs as the state's pension contribution is based upon the 6/30/08 actuarial valuation for the State Employees Retirement System (SERS) which certifies the contribution for FY 10 and FY 11. Therefore, new positions will not impact the state's pension contribution until FY 12 after the next scheduled certification on 6/30/2010.

monitor and track such products. DECD could also require an additional agent for the promotion of such products and an IT analyst to create and maintain a “Buy Connecticut” website at an annual cost of approximately \$65,989 (\$52,610 salary, \$13,379 fringe benefits). The cost to market the products is estimated to be \$50,000-\$75,000. Additional costs for operating expenses, including office supplies and travel, could cost approximately \$100,000 annually.

The Connecticut General Statutes regarding the “Connecticut Grown” program include fines for various violations. The fine amounts and violations specific to the “Buy Connecticut” program are unknown at this time, but could result in a revenue gain to the state.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Sources: Connecticut Department of Agriculture, Department of Administrative Services, Department of Economic and Community Development, Department of Labor (2007 Labor Market Data), http://www.ctdol.state.ct.us/lmi/202/202state_2007.htm

OLR Bill Analysis**SB 882*****AN ACT CONCERNING A MANUFACTURER'S "BUY CONNECTICUT" PROGRAM.*****SUMMARY:**

This bill requires the Department of Economic and Community Development (DECD) to develop and implement a "Buy Connecticut" program to designate and promote products manufactured in the state as "Buy Connecticut" products. It authorizes DECD to use, as a program model, the process the agriculture commissioner uses for designating "Connecticut-grown" farm products.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 20 Nay 0 (03/10/2009)